

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DELTA)	CASE NO.
NATURAL GAS COMPANY, INC. FOR ITS PIPE)	2022-00341
REPLACEMENT FILING)	

ORDER

On October 14, 2022, Delta Natural Gas, Inc. (Delta) filed an application and tariff to revise its Pipeline Replacement Program (PRP) rates, effective January 1, 2023, based on a forecasted test period ending December 31, 2023. Among other things, Delta requested PRP rates that include 2022 PRP expenditures that exceed the amount assumed for recovery in base rates and the ending balance of 2023 PRP expenditures.¹ In the final Order in Delta's most recent rate case, which was issued on January 3, 2022, the Commission approved the roll in of the PRP through 2022 into base rates.²

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. Having reviewed the application and proposed tariff and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed PRP rates and that such investigation cannot be completed by January 1, 2023. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective

¹ See Application, 2023 PRP Schedules and the Direct Testimony of Jonathon Morpew at 4.

² Case No. 2021-00185, *Electronic Application of Delta Natural Gas Company, Inc. for an Adjustment of Its Rates and a Certificate of Public Convenience and Necessity* (Ky. PSC Jan. 3, 2022), Order at 20-22.

date of the proposed PRP rates for one day until January 2, 2023, to give the Commission time to investigate the PRP rates, but to allow Delta to begin charging the PRP rate, pending a final Order and subject to refund, provided it provides written notice to Commission of its intention to do so as required by KRS 278.190(2).

The Commission further finds that a procedural schedule should be established to ensure the orderly investigation of Delta's application and proposed tariff. To ensure a timely review of this matter, the Commission also finds that the procedural schedule should include only a date for intervention, dates for request for information to Delta, and a date for parties to request a hearing; and additional dates will be added if a request for intervention is granted.

IT IS THEREFORE ORDERED that:

1. Delta's proposed PRP rates are suspended for one day, January 1, 2023.
2. Delta's proposed PRP rates may be placed in effect by Delta on or after January 2, 2023, pending the final Order in this matter and subject to refund, provided Delta provides written notice to the Commission of its intention to do so as required by KRS 278.190(2).
3. The procedural schedule set forth in the Appendix to this Order shall be followed.
4. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the

Commission's July 22, 2021 Order in Case No. 2020-00085³ regarding filings with the Commission.

5. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

6. Delta shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC

³ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

website, psc.ky.gov”; and “Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, psc.ky.gov.” At the time publication is requested, Delta shall forward a duplicate of the notice and request to the Commission.

7. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

8. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

9. Witnesses who sponsor schedules, testimony, or responses to data requests shall participate in person at any hearing scheduled in this matter.

10. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

11. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

12. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

13. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00341 DATED DEC 20 2022

Requests for intervention shall be filed no later than 01/05/2023

Initial requests for information to Delta
shall be filed no later than 01/11/2023

Delta shall file responses to
initial requests for information no later than.....01/19/2023

Delta or any Intervenor shall request either a
hearing or that the case be submitted for decision
based on the record no later than 01/26/2023

*John B Brown
Chief Financial Officer
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

*Mary Ellen Wimberly
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Monica Braun
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391